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Proposed Attorneys for The Roman Catholic Bishop of
Stockton

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re:

CASE NO. 14-20371-C-11

THE ROMAN CATHOLIC
BISHOP OF STOCKTON, a
California corporation sole,

[NO HEARING REQUIRED]

Debtor-In-Possession.

**APPLICATION FOR AUTHORITY TO EMPLOY FELDERSTEIN
FITZGERALD WILLOUGHBY & PASCUZZI LLP AS BANKRUPTCY COUNSEL**

The Roman Catholic Bishop of Stockton, a California corporation sole, the Debtor and Debtor in Possession herein (the "Debtor" or the "RCB"), hereby requests authority to employ Felderstein Fitzgerald Willoughby & Pascuzzi LLP as its counsel, and in support of this application, respectfully represents the following:

1. This application is made pursuant to Bankruptcy Code sections 327 and 330, Bankruptcy Rules 2014, 2016 and 5002, and the Guidelines of the Office of the United States Trustee ("UST Guidelines").

BACKGROUND

2. On January 15, 2014, the Debtor filed a voluntary Chapter 11 Bankruptcy Petition ("Petition Date"). The Debtor remains in possession of its estate, no trustee having been

1 appointed. The Debtor is operating and managing its business as a debtor-in-possession pursuant
2 to the provisions of Sections 1107 and 1108 of the Bankruptcy Code.

3 3. On January 15, 2014, the RCB commenced its chapter 11 reorganization case.
4 The RCB filed this case in order to reorganize its financial affairs pursuant to a plan of
5 reorganization that will, among other things, fairly, justly, and equitably compensate victims of
6 sexual abuse by clergy or others associated with the RCB and bring healing to victims,
7 parishioners and others affected by past acts of sexual abuse. The RCB has limited funds with
8 which to respond to the variety of demands from its creditors. The RCB requires the bankruptcy
9 court's protection and the protection of the bankruptcy laws to make fair and equitable payment
10 on all of the claims against it, including the claims by victims of abuse, trade creditors, the
11 parishes and others, while continuing its ministries and support it offers to Catholic parishes and
12 communities.

13 4. The Debtor desires to employ Felderstein Fitzgerald Willoughby & Pascuzzi LLP
14 ("FFWP") whose address is 400 Capitol Mall, Suite 1750, Sacramento, California, 95814-4434,
15 as its bankruptcy counsel in this matter.

16 REASON FOR SELECTION

17 5. The Debtor has requested the services of FFWP because the Debtor knows the
18 firm to be skilled in insolvency, reorganization and commercial transactions and that its members
19 have substantial knowledge and experience that will enable them to perform services of special
20 benefit to the Debtor and its estate in a cost effective manner. FFWP was originally engaged in
21 2012 for certain services, but has been working with the Debtor regarding a possible bankruptcy
22 case since early 2013.

23 6. The professional services which the firm will render to the Debtor are generally as
24 follows:

25 a. To advise and represent the Debtor with respect to all matters and
26 proceedings in this Chapter 11 case;

27 b. To assist the Debtor in all bankruptcy issues which may arise in the
28 operation of the Debtor's business, including negotiations with creditors, interest groups and any

1 Official Committee of Unsecured Creditors; and

2 c. To assist the Debtor with the preparation of and confirmation of a plan of
3 reorganization.

4 DISINTERESTEDNESS

5 7. Except as set forth in the verified statement of Paul J. Pascuzzi filed herewith,
6 pursuant to Rule 2014, and to the best of Mr. Pascuzzi's knowledge, information and belief,
7 FFWP (i) is disinterested, (ii) does not have any disqualifying connections with the Debtor, its
8 creditors, or with any parties in interest, or with their attorneys and accountants, or with the office
9 of the United States Trustee, or with any person employed in the office of the United States
10 Trustee which would preclude employment, and (iii) does not now hold or represent any interest
11 materially adverse to the interests of the estate or of any class of creditors or equity security
12 holders.

13 COMPENSATION

14 8. FFWP has agreed to undertake this matter at its 2012 standard hourly rates subject
15 to periodic adjustment to reflect economic and market conditions and increased experience and
16 skill, and which are currently as follows:¹

17 Name	Title	Hourly Rate
18 Steven H. Felderstein	Managing Partner	\$595 per hour
19 Donald W. Fitzgerald	Partner	\$475 per hour
20 Thomas A. Willoughby	Partner	\$475 per hour
21 Paul J. Pascuzzi	Partner	\$450 per hour
22 Jason E. Rios	Partner	\$385 per hour
23 Jennifer E. Niemann	Counsel	\$350 per hour
24 Holly A. Estioko	Associate	\$325 per hour
25 Karen L. Widder	Legal Assistant	\$195 per hour

26 9. FFWP will also bill the estate for all reasonable and necessary out-of-pocket
27

28 ¹ FFWP's 2012 hourly rates generally are \$20-45 per hour less than its 2014 rates.

1 expenses incurred herein pursuant to the local guidelines for compensation of professionals.

2 10. FFWP understands that all compensation is subject to Sections 327, 330 and 331
3 of the Bankruptcy Code.

4 11. As of the Petition Date, the balance of the retainer the Debtor had paid FFWP is
5 \$261,785.58 (the "Fee Deposit").

6 **CONCLUSION**

7 12. The Debtor believes it is essential that FFWP be employed to provide the services
8 described above and that FFWP be permitted to bill on an hourly basis, subject to the
9 requirements of the Bankruptcy Code for Court approval of professional fees.

10 WHEREFORE, based upon the foregoing, the Debtor requests that the Court enter an
11 order authorizing:

12 1. The employment of Felderstein Fitzgerald Willoughby & Pascuzzi LLP as its
13 Chapter 11 attorneys herein on the terms and conditions set forth above;

14 2. The employment to be effective as of January 15, 2014, and

15 3. For such other and further relief as the Court may deem proper in the
16 circumstances.

17 Dated: January 17, 2014

18 THE ROMAN CATHOLIC BISHOP OF STOCKTON

19 By: /s/ Stephen E. Blaire
20 Bishop Stephen E. Blaire

21 Dated: January 21, 2014

22 FELDERSTEIN FITZGERALD
23 WILLOUGHBY & PASCUZZI LLP

24 By: /s/ Paul J. Pascuzzi
25 PAUL J. PASCUZZI
26 Proposed Attorneys for The Roman
27 Catholic Bishop of Stockton
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